

**EQUITABLE.
PREDICTABLE.
TRANSPARENT.**

FREQUENTLY ASKED QUESTIONS

Get answers to the most frequently asked questions regarding street impact fees and the City of Austin's Street Impact Fee Study.

Q: What are Street Impact Fees?

A Street Impact Fee is a charge assessed on new development to pay for the construction or expansion of roadway system facilities that are necessitated by and benefit that new development. These fees would help fund transportation improvements that will be needed as development occurs in Austin.

Chapter 395 of the Texas Local Government Code defines an impact fee as a "charge or assessment imposed...against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development."

Q: Why is Austin looking into Street Impact Fees?

Austin is evaluating the Street Impact Fee as an additional tool to help cover the cost of expanding its street infrastructure in response to new growth. A Street Impact Fee Program would provide a means for the City to require new development to pay toward street infrastructure improvements in a manner that is proportional to the development's impact.

Q: What are Street Impact Fee funds used for?

Street Impact Fees would be used to recover the costs associated with the expansion of the transportation network necessary to serve demands generated by new development. The funds can be used for planning, surveying, engineering, land acquisition and construction. Impact fees may not be used to remedy existing transportation deficiencies.

Q: What are Street Impact Fees NOT used for?

Street Impact Fees may not be used to repair or maintain existing facilities, upgrade or replace existing capital improvements to serve existing development, or pay for administrative or operating costs to impose the fees.

Q: Who would pay Street Impact Fees?

Any "applicant" who is seeking a building permit for a new development (residential or commercial) that will generate additional use of roadway will be responsible for paying a Street Impact Fee. Applicant means any person, company, agency, or entity that is undertaking a development project. Public schools are exempt from Street Impact Fees.

Q: Would redevelopment pay a fee?

Since Street Impact Fees are traffic-dependent, a redevelopment project that generates more traffic than the existing development would be subject to a Street Impact Fee. However, that fee would be based only on the traffic generated in excess of what was being generated by the previous development. If the new development generates an equal or lesser amount of traffic when compared to the previous development, it would not be subject to a fee.

The following questions were received from participants who attended Street Impact Fee Study presentations between the months of April 2017 and July 2020.

URBAN LAND INSTITUTE - AUSTIN (ULI) EVENT - APRIL 26, 2017

Q: Will fees be waived should a project qualify for a density bonus or other mechanisms to bring affordable Median Family Income (MFI)-based housing to market?

This will be considered in the policy development phase of the Street Impact Fee study.

Q: Will the Street Impact Fee replace the rough proportionality determination procedures and costs currently being used?

The Street Impact Fee will modify the rough proportionality determination procedure, but will not replace it. How the procedure will change will be considered in the policy development phase of the Street Impact Fee study and ultimately decided by City Council.

Q: How will the \$720 million from the 2016 Mobility Bond and Street Impact Fees be coordinated to address impacts from growth?

In Service Areas where there are bond projects adding capacity, Street Impact Fees can be used to pay down the bond debt from those projects more quickly. Impact Fee revenue could also be used to fund projects that leverage the 2016 Mobility Bond by enhancing or extending projects beyond the scope achievable with bond funds.

Q: Will the Service Areas and impact fees be informed by the CodeNEXT maps that are adopted by the Council in 2018?

The size of the Service Areas are governed by Chapter 395 of the Local Government Code. Through the study, the draft Service Areas are being developed considering different land use contexts and trip characteristics, as well as highway and topographical boundaries. CodeNEXT will be considered during the policy development phase of the Street Impact Fee study, as impact fees can be a city-shaping tool for cities to direct growth.

Q: How will these tools be used for projects in the City's extraterritorial jurisdiction (ETJ) that are subject to Title 30 and county review?

Street Impact Fees can't be collected in the City's ETJ per Chapter 395 of the Local Government Code.

Q. Were the growth assumptions put forth by the CodeNEXT technical team (Fregonese) imbedded or incorporated into the study that the Street Impact Fee technical team (Kimley-Horn) conducted?

In general, there are three main approaches to growth projections, particularly for residential units:

1. A "needs assessment" approach like the Strategic Housing Blueprint, which identifies a growth target that can accommodate a specific number of units
2. Demographic forecasting, which describes expected population changes and shifts in population characteristics (like family size, migration rates, etc.), not changes to land use and the built environment
3. Capacity analysis like the analysis done by Fregonese for CodeNEXT, which considers opportunities and constraints (physical, financial, and regulatory) for development in terms of dwelling units and building size

Our approach blends the second and third (Fregonese/CodeNEXT) processes. Although we did not use the data from CodeNEXT, the process was similar. We used the demographic forecast conducted by the city demographer in conjunction with Austin Water for their impact fee study and compared it to a capacity analysis developed based on a variety of land use typologies, adjusting both assumptions as needed throughout the city.



Q. An applicant would need to either construct roadway improvements that are roughly proportional to the impact they produce on traffic within a 2-mile radius, or they can pay a fee that would cover the approximate need within a 2-mile radius?

Generally speaking, that is correct. The applicant can construct roadway improvements that are roughly proportional to the impact they produce on traffic based on procedures outlined in the traffic study or they can pay a fee that would cover the need. The fee would be used in the Service Area the project resides in. Service Areas are limited to 6 miles. The construction of projects by a development can cross Service Areas.

Q. Fees-in-lieu collected through rough proportionality would be allocated to the service area(s) in which they are located and would thus be used for capital improvement plans in that/those service areas on an annual basis?

Street Impact Fees would be collected at building permit. As soon as fees are collected, they can be allocated to a project. Semi-annual reports are published and presented to the Impact Fee Advisory Committee twice a year to illustrate how much money is collected and where it is being spent. Fees collected have to be spent in the Service Area within 10 years.

Q. In the event there is a surplus left over, does that money stay in that box for that service area or does it get transferred elsewhere and if so do you know where?

Fees collected must be spent within 10 years within the Service Area collected. If not spent in 10 years, the fees collected must be refunded to the building permit applicant. The study is updated at least every five years. During the update, the existing balance is examined to ensure it is spent before the time limit expires.

Q. What happens when you're at the intersection of Zones and you have a Traffic Impact Analysis (TIA) in a particular instance that is suggesting that a development needs to make improvements that cross service areas. How is that calculated into how much they might owe with respect to the fees?

When a policy is adopted, if there's a development that is required to pay the fee or make an improvement that's outside of the service area, it would be credited. They would be allowed to do that and it would be credited against their fee. So their fee would go down if they're making an improvement outside of their service area.

REAL ESTATE COUNCIL OF AUSTIN (RECA) POLICY COMMITTEE MEETING - MAY 3, 2017

Q: What if you don't have a/to plat? Explain how impact fees are assessed and paid.

State law requires a one-year grace period for previously platted properties. A property that does not have to plat would likely receive a one-year grace period as well. After that period of time, the development would be subject to a fee. This will be considered further in the policy development phase of the Street Impact Fee study. Impact fees are assessed at plat, so the plat date determines what maximum fee schedule you're assessed at. The fee is paid at building permit at the rate Council has set up to the assessed amount.

Q: How does a fee assessed at plat change to reflect zoning changes (intensity of land use)?

Impact fees aren't assessed based on zoning changes. The fee is based on the building permit alone.

Q: How is this different from rough proportionality?

Impact fees are fees. Rough proportionality is a justification for a set of improvements required by code. Impact fees assessed would not violate the rough proportionality test for a development.



Q: Could a Service Area have a zero impact fee based on not having any capital projects (related to certain areas with development constraints, such as over the aquifer)?

Yes. The cost for the projects contained in the Roadway Capacity Plan for each Service Area is the denominator in the equation to calculate the impact fee. If the denominator is zero, meaning there are no capacity projects in the service area, the fee could be \$0.

Q: Can standalone sidewalk/bicycle projects be included in the fee?

No. Projects that add only bicycle or pedestrian capacity would violate Chapter 395 of the Texas Local Government Code.

Q: Is the Street Impact Fee calculated through at Traffic Impact Analysis?

No. The fee, once set and adopted by City Council, will be based on the type and intensity of the development as recorded in the building permit. If a Traffic Impact Analysis identifies system-related improvements required of the development, which also appear in the Roadway Capacity Plan, the development would receive a credit for the impact fee otherwise due.

Q: Do we have to use the Institute of Transportation Engineers (ITE) trip generation rates?

The study will be based on using ITE trip generation rates to determine service units, which for Street Impact Fees are vehicle-miles. There will likely be an option to substitute service units through other means. This will be considered in the policy development phase of the Street Impact Fee study.

Q: How is the Street Impact Fee study being coordinated with the Austin Strategic Mobility Plan and CodeNEXT?

The Roadway Capacity Plan, developed as part of the Street Impact Fee study, will be reflected in the Austin Strategic Mobility Plan and associated roadway table. The rewrite of the land development code, CodeNEXT, will reference the roadway table for code requirements related to right-of-way.

Q: Is the assessment of a Street Impact Fee administrative?

Yes. Once adopted by Council, administration of the Street Impact Fee program will likely require a full-time staff member. The staff member cannot be funded through impact fee revenue.

Q: Is the SIF appealable? What is the appeal process?

The appeal process will be in the ordinance. It may be similar to the following:
The appellant must file a written notice of appeal with the City Manager within thirty (30) days following the decision appealed from. The City Manager or his designee ("Manager") may resolve the appeal, if the appellant agrees with the Manager's decision, or refer the matter to the City Council for decision with the Manager's recommendation, if the appellant requests City Council review after receiving the Manager's decision. If City Council review is requested after the appellant has received the Manager's decision, the City Secretary shall schedule a public hearing at which the appellant may present testimony and evidence before the City Council. The City Council shall act on the appeal within 60 days of receipt of the notice of appeal by the City.

Q: What is the difference between Street Impact Fees and the Traffic Mitigation Ordinance? How are sidewalks addressed by each policy?

Street Impact Fees are one-time fees based on the demand a development places on the roadway system. The recent code amendment related to traffic mitigation establishes requirements in the land development code for a development to mitigate its impact on the system, whether or not a development is required to conduct a Traffic Impact Analysis (TIA). Any improvements required by the code as mitigation that are also included in the Roadway Capacity Plan for SIF would be credited to the development's impact fees otherwise due. Sidewalks are one type of improvement that can be required as mitigation as defined in the recent code amendment. Sidewalks will be included in the Roadway Capacity Plan where they are part of the standard cross-section for a street.



Q: Will the Transportation Criteria Manual (TCM) be updated to reflect new capacity tables? Will cross-sections be updated?

The TCM is under review and will be updated to coincide with CodeNEXT. The TCM will include updated cross-sections and typical average daily and peak hour traffic volume ranges for each. The updated TCM will outline how capacity will be calculated for types of roadways.

CITY OF AUSTIN MOBILITY COMMITTEE QUESTIONS - JUNE 21, 2017

The following questions were posed during the June 21, 2017, Mobility Committee meeting briefing. Staff responses to the committee members' questions are provided below.

Q. Do Service Areas inform the calculation of the impact fee?

Yes. Each Service Area has a specific maximum impact fee calculated based on the cost of the projects in the Roadway Capacity Plan and the Land Use Assumptions.

Q. Can the Street Impact Fee you collect in a Service Area only be spent on projects in that Service Area?

Yes. The City can only use collected street impact fees on projects in the Roadway Capacity Plan that are within that Service Area.

Q. If a development is building in one Service Area, but the Traffic Impact Analysis shows improvements in another Service Area, can they be required to complete those improvements?

Yes. A developer can be required to complete improvements outside the Service Area. If the required improvement is a system improvement (not a site-related improvement), the developer would receive credit on their impact fees within their Service Area. However, if the City chooses to collect the impact fees and not require the improvement, the City could not use the money on improvements outside the Service Area. The details of the credit process will be outlined during Phase 3 - Fee Setting (Ordinance).

Q. Can a Service Area be based on the six-mile area surrounding a proposed development?

No. Adjustable boundaries would not be allowed under the required elements of Chapter 395 of the Texas Local Government Code, which defines Service Area as an area within the corporate boundaries that must have defined land use assumptions, a roadway capacity plan, and a maximum fee associated with it.

Q. Do the Impact Fees make a distinction between office and medical office?

Yes. The collected impact fee calculation is broken into specific categories similar to a traffic impact analysis. The impact fee for a medical office building versus an office building will be higher because more trips are generated, per Institute of Transportation Engineers (ITE) trip generation rates. For the purposes of the study, the calculation for the maximum impact fee is based on broader, "rolled-up" categories (residential, basic, service, and retail).

Q. What is included in the Roadway Capacity Plan?

The Roadway Capacity Plan is a list of street segments and intersection improvements that add additional capacity. The street segments are made up of new streets, widening of existing streets, or access management projects. The intersection projects include signalization, addition of turn lanes, or other intersection improvements. Capacity projects from past bond programs are being considered for inclusion in the Roadway Capacity Plan because debt service is an applicable use of the Street Impact Fee.



Q. How does State Law address stand-alone bicycle, pedestrian and transit projects?

Bicycle facilities, transit facilities, and pedestrian facilities are not explicitly mentioned in Chapter 395 of the Local Government Code. The term roadway facilities, per Chapter 395 of the Texas Local Government Code, means arterial or collector streets, or roads that have been designated on an officially adopted roadway plan of the political subdivision, together with all necessary appurtenances, which can include all modes per adopted plans and regulations. Facility expansions are defined as the expansion of the capacity of an existing roadway facility in order that the existing facility may serve new development.

Q. How do Street Impact Fees and the current TIA process (pro rata) work together?

The current process will be re-evaluated in Phase 3 – Ordinance. It is anticipated the two policies would complement each other. The impact fee would offer predictability for traffic-related mitigation, while the TIA, when triggered, would determine the most beneficial system improvements to be constructed. The TIA would also address other issues not specific to Street Impact Fees, such as safety, site-related improvements, transportation demand management, and multi-modal elements.

Q. How do you use the Street Impact Fee funds collected?

The impacts fees can be used to develop and/or construct any project identified in the Roadway Capacity Plan within the Service Area collected.

Q. Can I see an example of a Roadway Capacity Plan?

Three Roadway Capacity Plan examples from other Texas cities are listed below:

Flower Mound – Map on Page 11 of .pdf
<http://www.flower-mound.com/DocumentCenter/Home/View/261>

Fort Worth - Maps on Page 32-50 of .pdf
http://fortworthtexas.gov/uploadedFiles/Transportation_Impact_Fees/2013_Transportation_Impact_Fee_Study_-_Reduced_10-23-12.pdf

Frisco - Maps on Page 14-17 of .pdf
<http://www.friscotexas.gov/DocumentCenter/View/6124>

STORYBUILT SIF WEBINAR - MARCH 25, 2020

Q: Will ROW be included as an offset?

No. Right-of-Way (ROW) was left out of the cost calculation for street impact fees and thus is not considered an offset against other fees due. Street impact fees are not intended to be used to purchase ROW. The ordinance will address how ROW requirements will be considered.

Q: Does this requirement of a SIF remove the Traffic Impact Analysis (TIA) requirement?

No, but that it would improve the TIA process. The street impact fee predetermines the fee due for a development before a TIA process would begin, and thus a TIA determines which improvements are most needed for a site as well as improvements that may be needed for safety or access that are not in the Roadway Capacity Plan.

Q: How are increases in construction costs accounted for in the study (i.e. is inflation included)?

Inflation and increased construction costs are not accounted for in the study. To be conservative, projects were costed based on current construction prices. Costs are based on the City's cost to build projects. There is an opportunity for improvements to be built by the developer, which could potentially be done at a lower cost, and they would still get full offset to fee based on the City's costs.

Q: Since you're not able to recoup 100% of the project costs, because of rational nexus and 10-year timeframe, what percent (%) are you recovering through the impact fee?

The percentage of project costs being recovered through the street impact fee will be based on the collection rate yet to be determined, development that actually occurs, and reductions applied from the ordinance over the 10-year timeframe. However, On a citywide basis, the rough percentage of recoverable costs attributable growth is approximately 60% of the full cost of the Impact Fee Roadway Capacity Plan. This is a fraction of the cost of the full Roadway Capacity Plan in the ASMP, since only a subset of projects are eligible for the Street Impact Fee. Further, the 60% figure is representative of the maximum assessable fee from the study, not necessarily what would be recovered.

Q: For fee refunds (for funds that have not been spent in 10 years) - are those automatic?

Refunds are not automatic, but rather at the request of the contributor. A component of the program could be to make an automatic refund mechanism. Refunds are due if funds are not spent within 10 years of contribution, per Chapter 395.025 of the Local Government Code.

Q: How do Rough Proportionality (RP), Traffic Impact Analysis (TIA), Neighborhood Traffic Analysis (NTA) and SIF interact?

The current process is being re-evaluated so the policies complement can each other. The Street Impact Fee determines the amount and the TIA or NTA determines which improvements are most important to mitigate impacts and serve the development and surrounding area. Said another way, the impact fee would offer predictability for traffic-related mitigation, while the TIA or NTA, when triggered, would determine the most beneficial system improvements to be constructed. If a TIA or NTA identifies system-related improvements required of the development, which also appear in the Roadway Capacity Plan, the development would receive an offset for the impact fee otherwise due for building or funding those improvements. The TIA or NTA would also address issues not specific to Street Impact Fees, such as safety, site-related improvements, transportation demand management, and multimodal elements. RP is a determination of the roughly proportional impact of a specific site on the transportation system to check against what is being required as a condition of development approval by City Code.

Q: What are pass-by trips and how are they accounted for?

Pass-by trips are those trips that occur when a person visits when "passing by" a land use. A common example is a gas station, where someone turns in and out of the site while traveling for a different purpose, such as from home to work. These trips are accounted for and reduce the trip rates for a land use based on national ITE Trip Generation standards and are visible in the Land Use Vehicle Mile Equivalency Table (LUVMET) in the final draft report.

Q: What about land uses not found in the LUVMET table?

As part of the ordinance, a provision will be included based on the PM peak trip rate and trip length for the corresponding land use category (residential, commercial, industrial, etc.).

Q: How will active developments be handled if street impact fees are adopted?

A transition period will occur and will be described in the ordinance. If contributions have been made for a site that is subject to street impact fees, the applicant will need to enter into an agreement for the delta (street impact fee otherwise due less offsets for previous contributions) to determine the amount owed.



Q: Can you pay fees partially or in phases, e.g. when a portion of the site is permitted at one time and then pay for other portions later as they develop?

Fees are due at the time of building permit for whatever is being permitted. However, in the ordinance a provision will exist to allow for making a payment agreement schedule for when fees are due on a schedule.

Q: How would you determine the fee for the remaining building permits if some are received during the grace period and others are not?

Offset agreements with ATD would allow for payment of the delta if the fee is higher than the previous amount due. A fee would only apply to building permits for associated land uses outside of the grace period.

Q: How do we determine reductions for sites that don't trigger TDM plans or TIAs?

An administration worksheet will be developed for use by the development community and the reduction application would be reviewed and approved by ATD.

Q: What about no plat situations?

These sites would be assessed and fee collected at building permit.

URBAN LAND INSTITUTE - AUSTIN (ULI) SIF WEBINAR - APRIL 7, 2020

Q: Why are only vehicular capacity improvements included in the street impact fee study?

State law requires that projects include increased vehicle capacity. State law allows the City to include appurtenances of the roadway, such as sidewalks, bicycle facilities, and transit-readiness elements, so long as they are associated with the capacity improvement. These improvements are included if they are associated with a project to increase vehicle capacity, such as road widening. Intersection projects, which can improve multimodal safety and connectivity, were also included, so long as they increase capacity.

Q: Would a property get credit for previous contributions on a redevelopment?

Redevelopment is only assessed a fee for the net increase in trips for a site, or for the new trips. Previous contributions that were to accommodate previous development would not be counted as offsets toward fees on new trips.

AUSTIN INFILL COALITION SIF WEBINAR - APRIL 14, 2020

Q: Is there opportunity for sites to monitor their traffic counts and show that actual trips are less than what ITE code states. Can reductions / reimbursements of fees be applied for based on factual data rather than ITE data that may be based on 5 sites for that use in New Jersey (as example)?

The study and fee calculations are based on ITE standards which should align with best practices for trip generation. There are reductions that can be applied to more accurately represent the projected traffic generation based on internal capture and travel demand management. There will be an appeals process and one of the eligible items to appeal is trip generation.



AUSTIN CONTRACTORS AND ENGINEERS ASSOCIATION - AUSTIN SIF WEBINAR - APRIL 23, 2020

Q: Why are only vehicular capacity improvements included in the street impact fee study?

State law requires that projects include increased vehicle capacity. State law allows the City to include appurtenances of the roadway, such as sidewalks, bicycle facilities, and transit-readiness elements, so long as they are associated with the capacity improvement. These improvements are included if they are associated with a project to increase vehicle capacity, such as road widening. Intersection projects, which can improve multimodal safety and connectivity, were also included, so long as they increase capacity.

Q: Would a property get credit for previous contributions on a redevelopment?

Redevelopment is only assessed a fee for the net increase in trips for a site, or for the new trips. Previous contributions that were to accommodate previous development would not be counted as offsets toward fees on new trips.

Q: Regarding Service Areas, can zones be grouped together so there are fewer fee numbers?

The 17 service area zones defined are based on Chapter 395 of the Local Government Code requirements for a Service Area to be "limited to 6 miles." The City could set the same collection rate in multiple service areas, if desired, so long as the collection rate does not exceed the maximum assessable fee in any of the service areas.

Q: Is a worksheet available for calculating the street impact fee for a given site?

A worksheet will be made available when the ordinance is adopted that sets the collection rates.

Q: For TxDOT (or other jurisdictional) roadways, how would the fee be affected by additional requirements of a site based on what TxDOT requires?

The SIF study accounts for City contributions only on TxDOT facilities in the Roadway Capacity Plan (RCP), generally at 20% of the anticipated total cost of the improvements in the SIF Roadway Capacity Plan (RCP). If an applicant is constructing or contributing toward system improvements identified in the RCP, then those would be offsets to fees otherwise due and documented in an offset agreement. TxDOT may require additional infrastructure on their facilities independent of the street impact fee due. For example, a right-turn lane into a driveway is a site-improvement and does not receive an offset.

Q: How are TIAs at zoning handled, prior to a plat being recorded?

Street Impact Fees are collected based on whatever land uses are associated with a building permit application. If a TIA is required at zoning, approximate street impact fees could be calculated based on land use densities permitted by zoning, but would not be assessed or collected until a plat is recorded and not collected until a building permit is obtained. However, the TIA at zoning would not determine how much a site must pay in transportation mitigation, but rather the mitigations that are most needed based on a site's anticipated impacts.

CITY OF AUSTIN STREET IMPACT FEE WEBINAR - JULY 21, 2020

Q: When will the specific draft ordinance language be available for the public?

Draft ordinances can be found under items #5 and #8 on the Council agenda for July 30. These ordinances are currently being updated based on Planning Commission recommendations passed on July 28, 2020.



Q: Will only new development pay for roads that everyone can use? If so, is that equitable?

The Street Impact Fee is calculated based on charging new development only for the impact of that new development over 10 years; this is called the recoverable portion of the Roadway Capacity Plan. Only the recoverable portion of the Roadway Capacity Plan is passed on to new development. The non-recoverable portion is paid for by sources outside of new development, such as general obligation bonds. Equity, predictability and transparency are goals of the street impact fee. An impact fee would mean that similar developments in the same area are treated the same, through a consistent and fair fee and process. The term equity in this context refers to fairness of treatment between new developments. Those new developments will be treated equally for the same type of development within the same Service Area. Currently, the process is based on a transportation impact analysis process and does not provide equity or predictability among similar developments.

Q: Define vehicle in terms of impact fees.

In the context of impact fees, the vehicle is an automobile. The governing statute for impact fees in Texas, Local Government Code Chapter 395, includes several definitions to derive what a vehicle means in terms of street impact fees. Chapter 395.001 of the Texas Local Government Code defines a capital improvement as a roadway facility. The roadway facility is further defined as an arterial or collector street that has been designated on an officially adopted roadway plan of the political subdivision, together with all necessary appurtenances. The roadway facility also needs to be a facility expansion which means the expansion of the capacity of an existing facility that serves the same function as an otherwise necessary new capital improvement, in order that the existing facility may serve new development. The term does not include the repair, maintenance, modernization, or expansion of an existing facility to better serve existing development. These definitions have been used by legal counsel to determine that the vehicle in impact fees is an automobile. However, when facility expansions are completed, the roadway can include accommodations for other modes as part of the roadway appurtenances.

Q: Will the PowerPoint presentation from this webinar be available to download?

Yes, the [presentation slides](#) are available on the SIF website. The [video recording](#) is also available.

Q: Which Department will receive the Street Impact Fee earnings? If this is unknown how will the recipient Department be decided?

Administrative procedures have not been developed and will be created during the proposed one-year grace period after the ordinance goes into effect. Austin Transportation will likely be the department that would manage the fee revenue, as the Transportation Development Services division that reviews transportation mitigation and analyses for private development is within the Austin Transportation Department. The Impact Fee Advisory Committee will review the collections and expenditures and be asked to approve reports on program progress twice per year in accordance with state law. The City Manager would make the decision on what department collects and manages the fee revenue, as stated in the draft ordinance, as well as the program administration.

Q: What is the expected revenue for the City from these fees?

Draft revenue projections were provided to City Council at their June 9, 2020 work session. See [slides](#) 24-27. The projected revenue would be approximately \$28M per year over 10 years. The revised staff recommendation has not been finalized so revenue projections have not been updated. Note, that some fee revenue will not be seen in payment to the City, but through offsets. A developer who builds an improvement will receive an offset for their fee otherwise due that is "revenue" through built infrastructure, but not dollars collected. The City of Fort Worth sees about half of their annual revenue from roadway impact fees through construction offsets.

Q: Why does the maximum fee vary across the different Service Areas?

The SIF Study sets the maximum fee per service unit (vehicle-mile) and is a function of the cost of the roadway capacity projects in each Service Area divided by the amount of growth projected in each Service Area over a 10-year period. Thus, the maximum fee varies based on how many and the type of roadway projects needed and whether there is a lot of growth or little growth expected in a given area. An area like Downtown has a lower maximum fee because there are very few roadway capacity projects that are possible, yet there is a large amount of growth projected over 10 years.

Q: Is the city considering acquiring bonds to get the funds “up front” and then pay the bonds off with impact fee revenue or will the improvements be made on a “pay-as-you-go” basis?

Austin Transportation will develop program administration guidelines after Council adopts the impact fee program that will define the approach for funding infrastructure projects. Initially, staff has considered that the program will fund projects on a “pay-as-you-go” basis to expedite spending and ensure funds are expended within the required 10-year period. However, state law allows for impact fee revenue to be used to pay down bond debt so staff included eligible 2010, 2012, 2016 and 2018 bond projects in the SIF Study so that impact fee revenue could help pay down the bond debt for those bond programs faster.

Q: Shouldn’t we see how the Street Impact Fee program is going to be implemented, so that a revision to the Transportation Criteria Manual accompanies the ordinance as it is presented to Planning Commission and Council?

The Transportation Criteria Manual (TCM) has been developed in coordination with the Land Development Code (LDC) revision and SIF ordinance. The TCM will be presented for public feedback this fall, including for recommendations by the Planning Commission.

Q: As a City, we are facing a COVID-19 recession, all time low housing inventory, record high median home prices and a reduction in permits for new housing supply. Do you think raising/creating a new fee on single-family housing during this environment will reduce housing costs or increase the cost of housing?

Impacts to the cost to build housing will be addressed in the Affordability Impact Statement (AIS) being developed by the Neighborhood Housing and Community Development Department (NHCD). NHCD will finalize the AIS after the staff draft SIF ordinances have been finalized; staff is currently working to incorporate recommendations made by the Planning Commission on July 28, 2020. Both the ordinances and AIS will be presented to Council later this fall.

Q: What is the view from staff on implementing this fee within the limited purpose jurisdiction?

Per the Texas Local Government Code, roadway impact fees can only be collected and spent with the corporate boundaries of the City of Austin; this has been determined to include the City’s limited purpose jurisdiction.

The following questions were also asked during the webinar. In order to provide the most accurate responses, staff will update this document with answers to these questions once the staff recommended ordinances have been finalized.

- Is the infill fee reduction 100%?
- What counts toward a Transportation Demand Management (TDM) reduction?
- How will funds be adjusted to support neighborhoods with low traffic due to low-income families using public transportation?
- Since predictability is a key goal, why not base the fee for a project primarily on the amount of parking, which in a single metric correlates with automobile trip counts, proximity to transit, and affordability?
- For the infill reduction, can you count the pre-development parking spaces? For example, if an existing house had space for 4 tandem parking spaces, and you demolish and build 2 houses with 2 parking spaces each, is there a fee?
- What is the anticipated mechanism/process to track the fees paid for a particular site? Where is that fee being publicly tracked for when the building changes to a different use so the fee is not collected again?
- How are “infill” and “affordable housing” defined so that fee reductions are not abused?

